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RUEHJM/AMCONSUL JERUSALEM PRIORITY 0009

RUEHBS/USEU BRUSSELS PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

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C O N F I D E N T I A L SECTION 01 OF 02 BAKU 000234

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TAGS: \underline{AM} \underline{ENRG} \underline{IR} \underline{IS} \underline{KZ} \underline{PREL} \underline{RU} SUBJECT: AZERBAIJANI FM MEETS WITH CONFERENCE OF PRESIDENTS

OF MAJOR AMERICAN JEWISH ORGANIZATIONS

Classified By: Ambassador Reno L. Harnish, III, reasons 1.4 (b) and (d)

11. (C) SUMMARY: Azerbaijani Foreign Minister Elmar Mammadyarov met February 13 with leaders from the Conference of Presidents of Major American Jewish Organizations. Mammadyarov characterized Azerbaijan's relations with the United States as a "strategic partnership" and said that Azerbaijan wants closer relations with Israel, although he admitted that Azerbaijan's OIC membership would impose some restrictions. He would not comment as to when Azerbaijan would open an embassy in Israel. Mammadyarov blamed Armenia for the lack of results from the Paris talks on the Nagorno-Karabakh conflict, saying Yerevan refused to compromise. Mammadyarov also discussed regional energy projects in detail, including bringing Kazakhstan oil into the BTC pipeline and exporting Shah Deniz gas to southern and central Europe. Mammadyarov addressed relations with Russia and Iran, noting the importance of Russian agricultural markets and worries about Iran's nuclear ambitions. audience gave Mammadyarov a warm welcome as a proven friend of the American Jewish community. END SUMMARY.

RELATIONS WITH THE U.S. AND WITH ISRAEL

12. (C) Speaking to a delegation of more than 70 leaders and other participants from the Conference of Presidents of Major American Jewish Organizations, Foreign Minister Mammadyarov began by briefly reviewing the history of U.S.-Azerbaijan relations, which he characterized as having moved from cooperation in the energy sector to "strategic partnership" on a wide variety of issues. Hopefully, he said, Section 907 of the Freedom Support Act would soon be "relegated to history." Azerbaijan has made steady progress on democracy and human rights, he argued. Mammadyarov also said that he has a "comfortable" relationship with the Israeli Ambassador in Baku and that Azerbaijan intends to build close relations with Israel. When asked during the question-and-answer session, Mammadyarov did not give a direct answer as to whether Azerbaijan will open an Embassy in Israel in the near future. Instead, he said that Azerbaijan is "moving in the direction" of expanding its relations with Israel, sending more and more delegations there and increasing economic ties (NOTE: In a late meeting, President Aliyev said he expected a breakthrough this year on the question of establishing an Azerbaijan Trade Commission in Israel. END NOTE). However, Mammadyarov also cited Azerbaijan's membership in the Organization of the Islamic Conference, noting that this places restrictions on Azerbaijan's behavior and that the OIC has been supportive of Azerbaijan in the past.

ARMENIA AND THE CONFLICT OVER NAGORNO-KARABAKH

13. (C) Mammadyarov discussed the recent Aliyev-Kocharian meeting in Paris, going into some detail as to the background of the Nagorno-Karabakh conflict. Mammadyarov asserted that a breakthrough had not been achieved in Paris primarily due to what he characterized as Armenia taking a line of "no compromise." According to Mammadyarov, the GOAJ had hoped that Armenia would be willing to defer a determination of the final status of N-K to the future and discuss withdrawing its forces from the territories surrounding N-K proper. However, Mammadyarov asserted, during the Paris talks the GOAM rejected the concept of de-linking these two issues. 14. (C) Mammadyarov also briefly mentioned the concept of a new rail link between Azerbaijan, Georgia and the Turkish city of Kars and indicated that Azerbaijan would press ahead with this project. The Foreign Minister said that a feasibility study had been completed and the estimated cost of the project is between USD 400-500 million. Mammadyarov said that Azerbaijan wishes to pursue this project in order to further its economic integration with Europe, adding that "we will be able to reach Paris from Baku by train in just

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three days."

REGIONAL ENERGY PROJECTS

- 15. (C) Mammadyarov said that Azerbaijan is "dep in talks" to bring Kazakhstan's oil into the BC pipeline and that the personal chemistry between President Aliyev and President Nazarbayev is good. He did not address the current state of the negotiations. Mammadyarov also discussed gas issues in detail, specifically mentioning northern Italy and Greece as potential markets for Shah Deniz gas via the SCP pipeline, but also noting that current EU competition regulations make it difficult for a consortium like the Shah Deniz group to sell gas in European markets. Hopefully, he said, this situation can be rectified.
- 16. (C) Mammadyarov also discussed the possibility of bringing Central Asian gas across the Caspian, through Azerbaijan and Georgia, and onward to Ukraine and other markets in Central Europe. The upcoming February 25 GUAM Summit in Tblisi will provide a forum to discuss all these issues, he noted. He mentioned the Azerbaijan-Turkmenistan Trans-Caspian Pipeline (TCP) in passing but did not discuss it in any detail.

REGIONAL SECURITY ISSUES

17. (C) Mammadyarov characterized Azerbaijan's relations with Russia as "successful," noting for example that Russia joined with Azerbaijan and Kazakhstan in the trilateral agreement delimiting the north Caspian. Mammadyarov said that President Putin will visit Azerbaijan soon to help kick off the "Year of Russia in Azerbaijan" program. Mammadyarov noted the importance of Russian markets to Azerbaijan's agricultural sector.

18. (C) Turning to Iran, Mammadyarov pointed out that "thirty million" ethnic Azeris live in that country and that Iran provides the only land connection between Nakhchivan and the rest of Azerbaijan. When asked during the question-and-answer session, Mammadyarov said that he believes a peaceful solution is possible on the issue of Iran's nuclear ambitions, if Iran's nuclear power needs are developed under the eyes of the IAEA. Nuclear weapons are another matter, he said. "We already have one nuclear power on one of our borders, would we feel safer with another one? I don't think so."